

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

MAJORITY CAUCUS CALENDAR #10

March 8, 2016

Bill Number	Short Title	Committee	Date	Action
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Committee on Agriculture, Water and Lands

Chairman: Brenda Barton, LD6

Analyst: Tom Savage

Vice Chairman: Darin Mitchell, LD13

Intern: Shirley Springer

[SB 1189](#) department of forestry

SPONSOR: GRIFFIN, LD14

SENATE	2/8/2016	(30-0-0-0)
AWL	2/25 DP	(7-0-0-3-0)
(Abs: MITCHELL,BENALLY,MONTENEGRO)		

[SB 1191](#) water protection fund; conservation; supply

SPONSOR: GRIFFIN, LD14

SENATE	2/8/2016	(21-9-0-0)
(No: DALESSANDRO,CAJERO BEDFORD,FARLEY,BRADLEY,CONTRERAS,HOBBS,QUEZADA,MEZA, SHERWOOD)		
AWL	3/3 DP	(7-0-0-3-0)
(Abs: BENALLY,GABALDÓN,MONTENEGRO)		

[SB 1433](#) private lands; use; enjoyment

SPONSOR: GRIFFIN, LD14

SENATE	2/18/2016	(23-6-1-0)
(No: DALESSANDRO,CAJERO BEDFORD,FARLEY,BRADLEY,HOBBS,MEZA; NV: MCGUIRE)		
AWL	3/3 DP	(7-0-0-3-0)
(Abs: BENALLY,GABALDÓN,MONTENEGRO)		

[SB 1459](#) water improvements program; grants; county

SPONSOR: GRIFFIN, LD14

SENATE	2/25/2016	(28-0-2-0)
(NV: PANCRAZI,BEGAY)		
AWL	3/3 DP	(7-0-0-3-0)
(Abs: BENALLY,GABALDÓN,MONTENEGRO)		

Committee on Banking and Financial Services

Chairman: Kate Brophy McGee, LD28

Analyst: Paul Benny

Vice Chairman: Jeff Weninger, LD17

Intern: Jon Rudolph

[SB 1003](#) securities; exempt transactions

SPONSOR: FARNSWORTH D, LD16

SENATE	1/25/2016	(27-0-3-0)
(NV: CONTRERAS,HOBBS,SHERWOOD)		
BFS	3/1 DP	(7-0-0-1-0)
(Abs: BROPHY MCGEE)		

[SB 1005](#) private fund advisers; exemption
 SPONSOR: FARNSWORTH D, LD16
 SENATE 2/11/2016 (29-0-1-0)
 (NV: BEGAY)
 BFS 3/1 DP (7-0-0-1-0)
 (Abs: BROPHY MCGEE)

Committee on Children and Family Affairs

Chairman: John M. Allen, LD15 **Vice Chairman: Kate Brophy McGee, LD28**
Analyst: Ingrid Garvey **Intern: Alexandra Erickson**

[SB 1108](#) application for public assistance; requirements
 SPONSOR: BARTO, LD15
 SENATE 2/8/2016 (29-1-0-0)
 (No: DIAL)
 CFA 2/22 DP (8-0-0-1-0)
 (Abs: LOVAS)

[SB 1330](#) parent-child relationship; termination; petition
 SPONSOR: PANCRAZI, LD4
 SENATE 2/18/2016 (29-0-1-0)
 (NV: MCGUIRE)
 CFA 2/29 DP (8-0-0-1-0)
 (Abs: BROPHY MCGEE)

Committee on County and Municipal Affairs

Chairman: Doug Coleman, LD16 **Vice Chairman: Tony Rivero, LD21**
Analyst: Amanda Barnes **Intern: Caitlynn Kestler**

[SB 1089](#) county property; wireless communication facilities
 SPONSOR: KAVANAGH, LD23
 SENATE 1/28/2016 (28-0-2-0)
 (NV: BEGAY,KAVANAGH)
 CMA 2/22 DP (8-0-0-0-0)

[SB 1104](#) medical examiner; jurisdiction; death reporting
 SPONSOR: BARTO, LD15
 SENATE 2/11/2016 (29-0-1-0)
 (NV: BEGAY)
 CMA 2/22 DP (8-0-0-0-0)

[SB 1198](#) public library operation; third-party contracts
 SPONSOR: GRIFFIN, LD14
 SENATE 2/8/2016 (30-0-0-0)
 CMA 2/22 DP (8-0-0-0-0)

Committee on Commerce

Chairman: Warren H. Petersen, LD12 **Vice Chairman: Jill Norgaard, LD18**
Analyst: Diana Clay **Intern: Kris Beecher**

[SB 1056](#) recycled materials; purchase; agencies; repeal
 SPONSOR: KAVANAGH, LD23
 SENATE 1/28/2016 (28-0-2-0)
 (NV: BEGAY,KAVANAGH)
 COM 3/2 DP (7-0-0-1-0)
 (Abs: PLUMLEE)

[SB 1120](#) boxing commission; continuation
 SPONSOR: YEE, LD20
 SENATE 2/8/2016 (30-0-0-0)
 COM 3/2 DP (8-0-0-0-0)

[SB 1323](#) vexatious litigants; workers' compensation
 SPONSOR: YEE, LD20
 SENATE 2/11/2016 (28-1-1-0)
 (No: HOBBS; NV: BEGAY)
 COM 3/2 DP (8-0-0-0-0)

Committee on Energy, Environment and Natural Resources

Chairman: Franklin M. Pratt, LD8 **Vice Chairman:** Russell "Rusty" Bowers, LD25
Analyst: Tom Savage **Intern:** Shirley Springer

[SB 1059](#) oil and gas commission; continuation
 SPONSOR: YEE, LD20
 SENATE 2/8/2016 (30-0-0-0)
 EENR 2/22 DPA (9-0-0-0-0)

[SB 1163](#) underground facility; damage; notice
 SPONSOR: KAVANAGH, LD23
 SENATE 2/15/2016 (28-0-2-0)
 (NV: MCGUIRE,DIAL)
 EENR 2/29 DP (8-0-0-1-0)
 (Abs: CARTER)

[SB 1190](#) conservation districts; education centers
 SPONSOR: GRIFFIN, LD14
 SENATE 2/8/2016 (30-0-0-0)
 EENR 2/22 DP (9-0-0-0-0)

[SCM 1007](#) ozone concentration standard; urging EPA
 SPONSOR: GRIFFIN, LD14
 SENATE 2/11/2016 (18-11-1-0)
 (No: DALESSANDRO,CAJERO
 BEDFORD,PANCRAZI,FARLEY,BRADLEY,CONTRERAS,HOBBS,MIRA
 NDA,QUEZADA,MEZA,SHERWOOD; NV: BEGAY)
 EENR 2/22 DP (6-3-0-0-0)
 (No: CLARK,SALDATE,KOPEC)

Committee on Government and Higher Education

Chairman: Bob Thorpe, LD6 **Vice Chairman:** J. Christopher Ackerley, LD2
Analyst: Sharon Carpenter **Intern:** Taylor McGrew

[SB 1042](#) Prescott historical society; continuation
 SPONSOR: KAVANAGH, LD23
 SENATE 1/28/2016 (28-0-2-0)
 (NV: BEGAY,KAVANAGH)
 GHE 2/25 DP (5-0-0-4-0)
 (Abs: LOVAS,PETERSEN,OLSON,LARKIN)

[SB 1043](#) state personnel board; continuation
 SPONSOR: KAVANAGH, LD23
 SENATE 1/25/2016 (29-0-1-0)
 (NV: CONTRERAS)
 GHE 2/25 DP (6-0-0-3-0)
 (Abs: PETERSEN,OLSON,LARKIN)

[SB 1045](#) pioneers' home; miners hospital; continuation
 SPONSOR: KAVANAGH, LD23
 SENATE 1/28/2016 (27-1-2-0)
 (No: DIAL; NV: BEGAY,KAVANAGH)
 GHE 2/25 DP (6-0-0-3-0)
 (Abs: PETERSEN,OLSON,LARKIN)

[SB 1115](#) charter school sponsors; community colleges
 SPONSOR: ALLEN S, LD6
 SENATE 2/8/2016 (30-0-0-0)
 GHE 2/25 DP (6-0-0-3-0)
 (Abs: PETERSEN,OLSON,LARKIN)

Committee on Health

Chairman: Heather Carter, LD15
Analyst: Ingrid Garvey

Vice Chairman: Regina Cobb, LD5
Intern: Alexandra Erickson

[SCR 1005](#) rights of caregivers; recognition
 SPONSOR: BARTO, LD15
 SENATE 2/11/2016 (29-0-1-0)
 (NV: BEGAY)
 HEALTH 2/23 DP (5-0-0-1-0)
 (Abs: BOYER)

Committee on Judiciary

Chairman: Eddie Farnsworth, LD12
Analyst: Katy Proctor

Vice Chairman: Sonny Borrelli, LD5
Intern: Meagan Anglin

[SB 1047](#) county attorney; powers and duties
 SPONSOR: KAVANAGH, LD23
 SENATE 2/11/2016 (29-0-1-0)
 (NV: BEGAY)
 JUD 3/2 DP (6-0-0-0-0)

[SB 1106](#) food stamp benefits; unlawful use
 SPONSOR: BARTO, LD15
 SENATE 2/11/2016 (28-1-1-0)
 (No: DRIGGS; NV: BEGAY)
 JUD 3/2 DP (6-0-0-0-0)

[SB 1210](#) resource center fund; purposes
 SPONSOR: KAVANAGH, LD23
 SENATE 2/18/2016 (27-2-1-0)
 (No: FARNSWORTH D,BURGESS; NV: MCGUIRE)
 JUD 3/2 DP (6-0-0-0-0)

[SB 1214](#) criminal trials; location
 SPONSOR: SMITH, LD11
 SENATE 2/8/2016 (30-0-0-0)
 JUD 3/2 DP (5-0-0-1-0)
 (Abs: HALE)

[SB 1286](#) internet sex offender website; offenses
 SPONSOR: KAVANAGH, LD23
 SENATE 2/11/2016 (29-0-1-0)
 (NV: BEGAY)
 JUD 3/2 DPA (6-0-0-0-0)

[SB 1295](#) DUI; watercraft; medical practitioner; authorization
SPONSOR: DRIGGS, LD28
SENATE 2/11/2016 (28-1-1-0)
(No: BIGGS; NV: BEGAY)
JUD 3/2 DP (6-0-0-0-0)

Committee on Military Affairs and Public Safety

Chairman: Sonny Borrelli, LD5

Vice Chairman: Mark Finchem, LD11

Analyst: Rick Hazelton

Intern: Thomas Lane

[SB 1196](#) ~~tax anticipation bonds; technical correction~~
(Now: silver alert; Alzheimer's disease)
SPONSOR: GRIFFIN, LD14
SENATE 2/18/2016 (29-0-1-0)
(NV: MCGUIRE)
MAPS 3/3 DP (7-0-0-1-0)
(Abs: CARDENAS)

Committee on Transportation and Infrastructure

Chairman: Rick Gray, LD21

Vice Chairman: David W. Stevens, LD14

Analyst: Amanda Barnes

Intern: Caitlynn Kestler

[SB 1008](#) VLT; fee exemptions; first responders
SPONSOR: KAVANAGH, LD23
SENATE 2/11/2016 (29-0-1-0)
(NV: BEGAY)
TI 2/23 DP (9-0-0-0-0)

[SB 1207](#) department of transportation; continuation.
SPONSOR: WORSLEY, LD25
SENATE 2/8/2016 (30-0-0-0)
TI 2/23 DP (9-0-0-0-0)

[SB 1228](#) ~~DUI; drugs; ignition interlock requirement~~
(Now: ignition interlock requirement; DUI; drugs)
SPONSOR: KAVANAGH, LD23
SENATE 2/18/2016 (29-0-1-0)
(NV: MCGUIRE)
TI 3/1 DP (8-0-0-1-0)
(Abs: FERNANDEZ)

[SB 1241](#) photo radar prohibition; state highways
SPONSOR: LESKO, LD21
SENATE 2/15/2016 (16-12-2-0)
(No:
PIERCE, DALESSANDRO, PANCRAZI, FARLEY, BRADLEY, BARTO, CONT
RERAS, HOBBS, WORSLEY, MIRANDA, QUEZADA, MEZA; NV:
MCGUIRE, DIAL)
TI 3/1 DP (6-3-0-0-0)
(No: FERNANDEZ, ANDRADE, KOPEC)

[SB 1255](#) vehicle emissions inspection program; continuation
SPONSOR: PIERCE, LD1
SENATE 2/11/2016 (22-7-1-0)
(No: ALLEN S, SMITH, BIGGS, FARNSWORTH
D, LESKO, BURGESS, DONAHUE; NV: BEGAY)
TI 3/1 DP (8-0-0-1-0)
(Abs: FERNANDEZ)

[SB 1357](#) vehicle certificates of title
 SPONSOR: WORSLEY, LD25
 SENATE 2/16/2016 (27-0-3-0)
 (NV: MCGUIRE,DIAL,LESKO)
 TI 3/1 DP (9-0-0-0-0)

[SB 1358](#) motor vehicle dealer licensing
 SPONSOR: WORSLEY, LD25
 SENATE 2/11/2016 (29-0-1-0)
 (NV: BEGAY)
 TI 3/1 DP (9-0-0-0-0)

[SB 1359](#) motorcycle safety fund; advisory council
 SPONSOR: WORSLEY, LD25
 SENATE 2/11/2016 (23-6-1-0)
 (No: ALLEN S,BIGGS,GRIFFIN,FARNSWORTH D,LESKO,DONAHUE;
 NV: BEGAY)
 TI 2/23 DP (9-0-0-0-0)

Committee on Ways and Means
Chairman: Darin Mitchell, LD13
Analyst: Michael Madden

Vice Chairman: Anthony Kern, LD20
Intern: Kaitlyn Yanes

[SB 1316](#) board of trustees; disincorporation; repeal
 (WM S/E: consumer lending; regulations; licensure)
 SPONSOR: KAVANAGH, LD23
 SENATE 2/18/2016 (29-0-1-0)
 (NV: MCGUIRE)
 WM 2/29 DPA/SE (6-3-0-0-0)
 (No: BOLDING,CARDENAS,WHEELER)



HOUSE OF REPRESENTATIVES

SB 1189

department of forestry

Prime Sponsor: Senator Griffin, LD 14

DP Committee on Agriculture, Water and Lands

X Caucus and COW

House Engrossed

OVERVIEW

SB 1189 establishes the Department of Forestry and Fire Management and modifies the duties of the State Forester.

PROVISIONS

1. Establishes the Department of Forestry and Fire Management (Department) that will provide resources for land management and the prevention and suppression of wildland fires on state land and private property in unincorporated areas.
2. Maintains the current statutory duties of the State Forester and adds the following requirements:
 - a. Exercise and perform all powers and duties vested in or imposed on the Department;
 - b. Adopt rules necessary to discharge powers and duties, including rules that create efficiencies, protect public health and safety and prescribe budgetary obligations;
 - c. Hire employees, prescribe terms and conditions of employment and the duties of various personnel;
 - d. Contract for services of outside advisors, consultants and aides; and
 - e. Assist in the development of the forestry products industry.
3. Requires the State Forester to include information on hazard response issues when presenting to legislative committees during the first regular session of each legislature.
 - Current law requires the State Forester to present information to legislative committees with jurisdiction over forest issues during the first regular session of each legislature and specifies information the presentation must include ([A.R.S. § 37-622\(B\)](#)).
4. Allows the State Forester to provide technical advice on land management matters.
5. Sunsets the Department on July 1, 2024.
6. Makes technical and conforming changes.
7. Contains a purpose statement.

CURRENT LAW

[A.R.S. § 37-622](#) specifies the duties of the State Forester, which include performing all management and administrative functions assigned or delegated to Arizona by the federal government relating to forestry; monitoring information related to forest management, forestry projects and wildfire activities; and conducting education and outreach in forest communities about the wildfire threat to private property, among other duties.

ADDITIONAL INFORMATION

[The State Forester](#) currently has 55 full time equivalent positions and received \$9,012,300 from the General Fund and an estimated \$25,270,500 from other non-appropriated funds in FY 2016.



HOUSE OF REPRESENTATIVES

SB 1191

water protection fund; conservation; supply
Prime Sponsor: Senator Griffin, LD 14

DP Committee on Agriculture, Water and Lands

X Caucus and COW

House Engrossed

OVERVIEW

SB 1191 expands the use of the Arizona Water Protection Fund and removes the spending cap for water conservation programs.

PROVISIONS

1. Expands the use of the Arizona Water Protection Fund (Fund) to include projects that increase water supply.
2. Removes the 5% spending cap of Fund monies for water conservation programs.
3. Makes technical changes.

CURRENT LAW AND ADDITIONAL INFORMATION

[A.R.S. § 45-2113](#) stipulates that no more than 5% of monies in the Fund may be spent on water conservation programs.

The primary source of the Fund is an in-lieu tax fee collected by the Central Arizona Project for each acre-foot of water sold outside of the three-county service area (Maricopa, Pima and Pinal Counties). Gifts, grants or donations may also be deposited in the Fund. (A.R.S. §§ [45-2112](#), [48-3715.05](#), [48-3715](#)).

The [Fund](#) was established in 1994 to provide for the development and implementation of measures to protect water for the maintenance, enhancement and restoration of rivers, streams and riparian habitats. The Arizona Water Protection Fund Commission (Commission) was also established at this time to administer the Fund. The Commission is made up of 15 appointed members and two nonvoting members on staggered three year terms.



HOUSE OF REPRESENTATIVES

SB 1433

private lands; use; enjoyment

Prime Sponsor: Senator Griffin, LD 14

DP Committee on Agriculture, Water and Lands

X Caucus and COW

House Engrossed

OVERVIEW

SB 1433 modifies statute to prohibit the reclassification of state trust lands as suitable for conservation purposes from restricting or unreasonably limiting access to or use and enjoyment of private lands.

PROVISIONS

1. Prohibits the reclassification of state trust lands as suitable for conservation purposes from restricting or unreasonably limiting access to or use and enjoyment of private lands.
2. Requires any sale or lease of state trust land to include a condition permitting use and enjoyment of private lands.
 - a. Current law requires the sale or lease of state trust land for conservation purposes to include a condition requiring permanent access to private lands be allowed (A.R.S. § 37-312.01).

ADDITIONAL INFORMATION

Black's Law Dictionary defines *covenant for quiet enjoyment* as an assurance against the consequences of a defective title, and any disturbances thereupon. A covenant that the tenant or grantee of an estate shall enjoy the possession of the premises in peace and without disturbance by hostile claimants. *Quiet enjoyment* is defined as a covenant usually inserted in leases and conveyances of land promising that the tenant or grantee shall enjoy the possession and use of the premises in peace and without disturbance (Black's Law Dictionary, 6th Edition).



HOUSE OF REPRESENTATIVES

SB 1459

water improvements program; grants; county
Prime Sponsor: Senator Griffin, LD 14

DP Committee on Agriculture, Water and Lands

X Caucus and COW

House Engrossed

OVERVIEW

SB 1459 allows a county board of supervisors to establish a program that offers financial assistance to low- and fixed income homeowners for making improvements to an existing drinking water well or providing a water delivery system for the residence.

PROVISIONS

1. Permits a county board of supervisors (Board) to establish a program funded by gifts, grants or donations to offer financial assistance to low- and fixed income homeowners for deepening an existing water well or installing plumbing for a water delivery system.
2. Requires the Board to designate an entity, such as a county agency, department or division, or a private, nonprofit corporation, to operate the program and award grants.
3. Stipulates that the entity must establish the criteria for grant applications and criteria for awarding grants.
4. Prohibits the Board from using general county monies for grants.
5. Requires the entity to submit a report to the Board and the Legislature by July 1 of each year containing a description of the program operations of the preceding year, the amount of gifts, grants or donations received and the grants awarded.

CURRENT LAW

No program is currently established in statute.



HOUSE OF REPRESENTATIVES

SB 1003

securities; exempt transactions

Prime Sponsor: Senator Farnsworth D, LD 16

DP Committee on Banking and Financial Services

X Caucus and COW

House Engrossed

OVERVIEW

SB 1003 extends the isolated transaction exemption to securities sold under the crowdfunding law.

PROVISIONS

1. Exempts securities sold under the crowdfunding exemption from statutory registration requirements for securities sold in good faith by the bona fide owner in an isolated transaction.
2. Stipulates the sale of securities that are sold by the bona fide owner is exempt from the restriction on repeated or successive transactions if the following apply:
 - a. The sale is of a security that when originally issued was exempt under the crowdfunding law; and
 - b. At least nine months have passed from the date of the last sale of such securities by the issuer to a resident of this state.
3. Makes technical changes.

CURRENT LAW

Statute authorizes an exemption from statutory registration requirements for securities that are sold in good faith by the bona fide owner of such securities in an isolated transaction where the sales are not made in the course of repeated or successive transactions of similar character by the owner and are not made directly or indirectly for the benefit of the issuer or the underwriter of the securities ([A.R.S. § 44-1844](#)).



HOUSE OF REPRESENTATIVES

SB 1005

private fund advisers; exemption

Prime Sponsor: Senator Farnsworth D, LD 16

DP Committee on Banking and Financial Services

X Caucus and COW

House Engrossed

OVERVIEW

SB 1005 exempts a private fund adviser (adviser) from licensure and notice filing requirements provided that certain criteria are met.

PROVISIONS

1. Exempts an investment adviser who is a private fund adviser from statutory licensing and notice filing requirements provided:
 - a. The adviser, or its affiliates, is not subject to an event that would disqualify an issuer under federal law.
 - b. The adviser to a qualifying private fund that is not a venture capital company:
 - i. Files with the Arizona Corporation Commission (ACC) each report that the adviser is required to file with the Securities and Exchange Commission (SEC) in accordance with federal law.
 - The adviser must file electronically with ACC through the Investment Adviser Registration Depository.
 - ii. Has paid a fee of \$125 to the ACC for each calendar year it utilizes the licensure exemption.
 - c. The adviser who advises at least one Retail Buyer Fund (Fund) and who complies with all of the following requirements with respect to each Fund:
 - i. Only advises those Funds whose outstanding securities are owned by either:
 - Any person who, at the time the securities are sold, the adviser believes to be an accredited investor, or a manager, director, officer or employee of the adviser; or
 - Any person that obtains the security through a transfer not involving a sale of that security.
 - ii. Discloses all services and duties that are provided to the purchaser of the securities prior to the time of purchase of a security of a Fund.
 - This action does not relieve the adviser of any disclosure obligations.
 - iii. Obtains an annual audited financial statement of each Fund that is advised by the adviser and delivers a copy of the statements to each purchaser of securities of the Fund.
 - Does not apply to a Limited Retail Buyer Fund which each owner of outstanding securities of the fund has waived this requirement.
2. Stipulates an adviser is not eligible for the exemption if they are registered with the SEC.
3. Specifies a person is not required to be licensed or make a notice filing if they are employed by or associated with an investment adviser who is exempt under this act and does not act as an investment adviser representative.
4. Requires an adviser who becomes ineligible for the exemption to comply with all laws and rules regarding licensing or notice filing within 90 days.
5. Stipulates that an event that would disqualify an adviser or its affiliates according to federal law does not apply upon a showing of good cause and without prejudice if the ACC determines that the circumstances do not merit an exemption denial.
6. Asserts that an adviser to a Fund that existed before September 1, 2016 and does not qualify for the exemption to potentially be eligible if the following conditions are met:
 - a. Beginning on September 1, 2016, the Fund ceases to sell securities to persons other than an accredited investor, or a manager, director, officer or employee of the adviser.
 - b. The adviser discloses in writing to the purchaser all the services and duties provided by the investment adviser to each purchaser of securities of the Fund December 1, 2016.
 - c. For every fiscal year that occurs after August 31, 2016, the adviser provides audited financial statements to each owner of securities of the Fund.

7. Specifies that an adviser who has custody of any securities or funds is not exempt from the rules and regulations regarding custody of client's funds or securities set forth by the ACC.
8. Makes conforming changes.
9. Defines pertinent terms.

CURRENT LAW

[Statute](#) defines *investment adviser* as any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing or selling securities or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities.

[A.R.S. § 44-3152](#) states that an investment adviser is not required to be licensed or make a notice filing if they do not have a place of business in Arizona and either:

- a. The only clients in Arizona are investment companies, other investment advisers, dealers, depository institutions, insurance companies, and employee benefit plans with assets of not less than \$1 million and government agencies or instrumentalities.
- b. During the previous 12 months the investment adviser had fewer than six clients who are residents of this state.

ADDITIONAL INFORMATION

The Investment Adviser Act, as amended by Dodd-Frank, provides an exemption from registration for certain investment advisers: the venture capital exemption and the private fund advisers exemption.

Under Section 203(l), an investment adviser that solely advises venture capital funds is exempt from registration requirements. The SEC is required to define *venture capital fund*.

Under Section 203(m), an investment adviser that acts solely as an adviser to private fund with assets under management in the U.S. of less than \$150 million is exempt from registration requirements.



HOUSE OF REPRESENTATIVES

SB 1108

application for public assistance; requirements
Prime Sponsor: Senator Barto, LD 15

DP Committee on Children and Family Affairs

X Caucus and COW

House Engrossed

OVERVIEW

SB 1108 states that an application for any form of assistance requires a statement subscribed by the applicant certifying that the contents of the application are true, and permits applicants to sign electronically.

PROVISIONS

1. Requires a statement subscribed by the applicant certifying that the contents of the application are true under penalty of perjury.
2. Allows public assistance applicants to sign electronically.
3. Makes technical changes.

CURRENT LAW

A.R.S § 46-201 requires an application for any form of assistance or service to be made to a department in Arizona as specified by the program. Additionally, it requires the application to be in writing or reduced to writing upon forms prescribed by the state department. It also states that the application must be verified by the oath of the applicant and bear the applicant's witnessed signature.



HOUSE OF REPRESENTATIVES

SB 1330

parent-child relationship; termination; petition
Prime Sponsor: Senator Pancrazi, LD 4

DP Committee on Children and Family Affairs

X Caucus and COW

House Engrossed

OVERVIEW

SB 1330 permits the county attorney to prepare a petition to terminate the parent-child relationship and act as attorney without expense to the prospective adoptive parent.

PROVISIONS

1. Permits the county attorney to prepare a petition to terminate the parent-child relationship and act as attorney without expense to the prospective adoptive parent.

CURRENT LAW

A.R.S. § 8-127 states that the county attorney of the county in which the prospective adoptive parent resides, or, if applicable, the county where the child is a ward of the court, on application of the person or persons seeking adoption, must prepare the adoption petition and act as attorney without expense to the prospective adoptive parent. If an adoption is made through an adoption agency, the agency must prepare the petition for adoption and must submit it to the county attorney. If the petition is contested the county attorney, with the consent of the court, may withdraw from further representation of any party to the proceeding and prospective adoptive parent must employ counsel.



HOUSE OF REPRESENTATIVES

SB 1089

county property; wireless communication facilities
Prime Sponsor: Senator Kavanagh, LD 23

DP Committee on County and Municipal Affairs

X Caucus and COW

House Engrossed

OVERVIEW

SB 1089 allows a county to possess land outside of its boundaries for the purpose of utilizing wireless communication facilities.

PROVISIONS

1. Permits a county to purchase, own, lease or hold property outside of its boundaries in order to develop, operate and maintain wireless communication facilities which are to be used for county government purposes.

CURRENT LAW

[A.R.S. § 11-201](#) outlines the powers and duties of a county. Specifically, this section grants a county the power to purchase and hold property within its territorial limits.

[A.R.S. § 11-932](#) allows a county or municipality to possess land outside of its boundaries for the use and purpose of a public park.



HOUSE OF REPRESENTATIVES

SB 1104

medical examiner; jurisdiction; death reporting
Prime Sponsor: Senator Barto, LD 15

DP Committee on County and Municipal Affairs

X Caucus and COW

House Engrossed

OVERVIEW

SB 1104 modifies the circumstances in which the death of a person must be reported to a peace officer.

PROVISIONS

1. Revises the conditions in which the death of a person is required to be reported to a peace officer as follows:
 - a. If the death occurs in any custodial agency, rather than a prison.
 - b. If there is an unexpected or unexplained death of a child.
 - c. If the death arises from an accident allegedly related to the person's job.
 - d. If the death is suspected to be caused by an unreported or undiagnosed disease that is considered to be a threat to public safety.
2. Specifies that the county medical examiner or alternative medical examiner claim jurisdiction of a body provided the prescribed circumstances and determine if an autopsy is required.
3. Allows a medical examiner or alternative medical examiner to authorize medical students or residents in pathology training to perform autopsies under the supervision of a licensed physician who is board certified in forensic pathology, rather than anatomic pathology.
4. Applies the following to an alternative medical examiner, in addition to a medical examiner:
 - a. To complete and sign the medical certification of death within 72 hours after the examination, excluding weekends and holidays.
 - i. If a determination of the cause of death cannot be made with 72 hours, then the examiner must enter *pending* for the cause of death.
 - ii. If a medical certification of death is signed by an examiner with a pending cause of death, then the local, deputy local or state registrar must register the death certificate.
 - iii. A final disposition of a body with a pending cause of death must not occur until the examiner has released the body for final disposition.
 - b. To submit information, once a cause of death is determined, to the local, deputy local, or state registrar.
 - c. To complete and sign the medical certificate of death within 72 hours after the examination of an individual who died from an acute or chronic medical condition and health care was not provided.
 - d. If a death occurs on an Indian Reservation and an examiner is unavailable, then the tribal law enforcement authority may complete and sign the medical certification of death.
5. Makes conforming changes.

CURRENT LAW

[A.R.S. § 11-593](#) states that a person who has knowledge of the death of a human, including a fetal death, must promptly notify the nearest peace officer of all information in the person's possession regarding the death and the surrounding circumstances. If an individual knows of a death and fails to notify a peace officer is guilty of a class 2 misdemeanor (unless the individual has good reason to believe notice has already been given).

After a peace officer has been notified of the death, the peace officer must then notify the county medical examiner or alternative medical examiner and initiate an investigation of the facts and circumstances surrounding the death and report the results to the medical examiner or alternative medical examiner, unless the death resulted from a surgical or anesthetic procedure from a natural disease.

[A.R.S. § 11-594](#) outlines the powers of the county medical examiner. Specifically, subsection A states that a county medical examiner or alternative medical examiner must direct a death investigation, determine if an external examination or autopsy is required, and take charge of the body, among other prescribed requirements.



HOUSE OF REPRESENTATIVES

SB 1198

public library operation; third-party contracts
Prime Sponsor: Senator Griffin, LD 14

DP Committee on County and Municipal Affairs

X Caucus and COW

House Engrossed

OVERVIEW

SB 1198 allows for a county board of supervisors to enter into a contract for a public library with a governing board of a school district, a governing board of a community college district, or a nonprofit corporation.

PROVISIONS

1. Permits a county board of supervisors to enter into a contract for a public library with a governing board of a school district, a governing board of a community college district or a nonprofit corporation.
2. Requires that the school district, community college district or nonprofit corporation assume the functions of a county free library within the county, city or town it is located.
3. Allows a county board of supervisors to pay the amount agreed upon in the contract to the city or town, school district, community college district or nonprofit corporation.
4. States that either party may terminate the contract if the party provides six months' notice of the intention to do so.
5. Makes technical and conforming changes.

CURRENT LAW

In [A.R.S. § 11-904](#) a county board of supervisors may enter into a contract with a board of library trustees or another authority that is in charge of the free public library of a city or town.

[A.R.S. § 15-362](#) states that a governing board of a school district may establish and maintain libraries and these libraries will be under the control of the board. The board may also appoint a district librarian, a teacher or another qualified person to care for a library. Subsection D specifies a school district governing board may enter into intergovernmental agreements with county free library districts and municipal libraries in the county where the school district is located.



HOUSE OF REPRESENTATIVES

SB 1056

recycled materials; purchase; agencies; repeal
Prime Sponsor: Senator Kavanagh, LD 23

DP Committee on Commerce

X Caucus and COW

House Engrossed

OVERVIEW

SB 1056 eliminates the requirement for state agencies to purchase or print on recycled paper with an emblem designating it as recycled. Repeals the reporting requirement.

PROVISIONS

1. Repeals A.R.S. § 41-2662, the section of law pertaining to the state agency purchase of recycled materials.
2. Removes the requirement for the Arizona Department of Administration (ADOA) to issue a mandatory annual report to the Governor and Legislature regarding the recycling program.
3. Conforms the heading of the statute to State Agency Recycling Materials Program.

CURRENT LAW

A.R.S. § 41-2661 in the *Arizona Procurement Code* requires ADOA to ensure that all state agencies, including universities, establish a recycling program where a minimum of 50% of the office wastepaper is separately collected. ADOA is responsible for adopting collection and storage rules, and contracting with buyers of wastepaper. By January 31 each year, the Director of ADOA must evaluate and modify the program to maximize its effectiveness.

Further, A.R.S. § 41-2662 requires state agencies that buy or print on recycled paper or paper products to include a printed statement or symbol signifying the paper is recycled. This requirement does not include food or drink containers. Additionally, the Director of ADOA must submit an annual report to the Governor and the Legislature that includes:

1. Methods and results of paper purchases and other recycled materials.
2. Findings and recommendations pertaining to definitions and bid specifications of contracts.
3. Availability, performance, uses, markets and prices of paper and recycled materials.
4. Potential demand and feasibility of cooperative purchases with political subdivisions.
5. Appropriate record keeping and reporting.
6. Other similar matters of program design and administration.



HOUSE OF REPRESENTATIVES

SB 1120

boxing commission; continuation

Prime Sponsor: Senator Yee, LD 20

DP Committee on Commerce

X Caucus and COW

House Engrossed

OVERVIEW

SB 1120 continues the Arizona State Boxing and Mixed Martial Arts Commission (Commission) for two years.

PROVISIONS

1. Continues the Commission for two years, retroactively to July 1, 2016.

CURRENT LAW

[A.R.S. § 5-224](#) directs the Commission to ensure the physical and financial protection of participants and persons involved in the sports of boxing and mixed martial arts. The Commission has regulatory, licensing and disciplinary authority and was placed under the direction of the Department of Gaming by [Laws 2015, Chapter 19](#). Records of license issuance, denial, renewal, suspension or revocation are open to the public and kept and maintained by the Commission. The Commission consists of three members appointed by the Governor for a term of three years.

[Laws 2010, Chapter 269](#) changed the official name of the Commission from the Arizona State Boxing Commission to the Arizona State Boxing and Mixed Martial Arts Commission.

ADDITIONAL INFORMATION

In August 2015 the Sunset Review of the Commission by the Senate Commerce and Workforce Development and the House of Representatives Commerce Committee of Reference [recommended](#) the continuation of the Commission for two years.



HOUSE OF REPRESENTATIVES

SB 1323

vexatious litigants; workers' compensation
Prime Sponsor: Senator Yee, LD 20

DP Committee on Commerce

X Caucus and COW

House Engrossed

OVERVIEW

SB 1323 permits a Chief Administrative Law Judge (Chief ALJ) to designate a Pro Se Litigant as a *vexatious litigant* in a workers' compensation case.

PROVISIONS

1. Stipulates that on the motion of a party, a Chief ALJ or a designated Administrative Law Judge (ALJ) may label a Pro Se Litigant as a vexatious litigant in a workers' compensation case before the Industrial Commission of Arizona (ICA).
2. Designates a 30-day period for the Pro Se Litigant to respond to the motion and directs the Chief ALJ to issue an order within 30 days after receiving the response or after the deadline expires.
3. Applies a vexatious litigant designation only to the specific claim before the ALJ.
4. Prohibits a vexatious litigant from filing a new request for hearing, pleading, motion or other document without prior permission of the ALJ.
5. Deems a Pro Se Litigant as a vexatious litigant if the ICA finds that the person engaged in vexatious conduct.
6. Suspends the title of vexatious litigant during any period when the litigant is represented by an attorney.
7. Defines *vexatious conduct* as follows: a) repeatedly filing requests for hearing, pleadings, motions or other documents solely or primarily for the purpose of harassment; b) unreasonably expanding or delaying ICA proceedings; c) bringing or defending claims *without substantial justification* (the claim is groundless and not made in good faith); d) engaging in abuse of discovery or conduct that has resulted in the imposition of sanctions against the pro se litigant; e) a pattern of making unreasonable, repetitive and excessive requests for information; f) repeatedly filing documents or requests for relief that have been the subject of previous rulings by the ICA in the same claim. F. For the purposes of this section, "without substantial justification" means that the claim or defense is groundless and is not made in good faith.

CURRENT LAW

[A.R.S. § 12- 3201](#) states that in a noncriminal case, at the request of a party or on the court's own motion, the presiding judge of the Superior Court or a designated judge may label a Pro Se Litigant as a *vexatious litigant*. A Pro Se Litigant declared as *vexatious* may not file any new pleading, motion or other related document without prior permission of the court. The statute defines *vexatious conduct* to include such things as a) repeated filings of court actions for the purpose of harassment; b) unreasonably delaying court proceedings; c) court actions brought *without substantial justification*; d) engaging in abusive conduct in discovery that results in the imposition of sanctions against the Pro Se Litigant; e) a pattern of making unreasonable, repetitive and excessive requests for information, among other such conduct.

[A.R.S. § 12- 349](#) stipulates the term "*without substantial justification*" means that the claim or defense is groundless and is not made in good faith.

ADDITIONAL INFORMATION

Black's Law Dictionary defines a *Pro Se Litigant*: For one's own behalf; in person. Appearing for oneself, as in the case of one who does not retain a lawyer and appears for himself or herself in court.

SB 1323 contains similar language to the noncriminal cases for workers' compensation cases that are brought before an ALJ at the ICA.



HOUSE OF REPRESENTATIVES

SB 1059

oil and gas commission; continuation
Prime Sponsor: Senator Yee, LD 20

DPA Committee on Energy, Environment and Natural Resources

X Caucus and COW

House Engrossed

OVERVIEW

SB 1059 continues the Oil and Gas Conservation Commission until July 1, 2024.

PROVISIONS

1. Continues, retroactive to July 1, 2016, the Oil and Gas Conservation Commission (Commission) until July 1, 2024.
2. Contains a purpose statement.

CURRENT LAW

The Commission is scheduled to sunset on July 1, 2016 ([A.R.S. § 41-3016.14](#)).

ADDITIONAL INFORMATION

The Commission enforces and administers state laws relating to the conservation of oil, gas and geothermal resources and provides protection of owners of land where such resources are present. Additionally, the Commission issues permits for oil, gas and geothermal wells and monitors and inspects for compliance with rules, collects and compiles data for public use and completes studies to encourage exploration and development of oil, gas and geothermal resources.

The Senate Commerce and Workforce Development and House Energy, Environment and Natural Resources Committee of Reference met on August 25, 2015 and recommended that the Commission be continued for eight years.

AMENDMENTS IN ENERGY, ENVIRONMENT AND NATURAL RESOURCES

1. Changes the sunset date of the Commission to July 1, 2022.



HOUSE OF REPRESENTATIVES

SB 1163

underground facility; damage; notice

Prime Sponsor: Senator Kavanagh, LD 23

DP Committee on Energy, Environment and Natural Resources

X Caucus and COW

House Engrossed

OVERVIEW

SB 1163 specifies emergency notification requirements for releases of hazardous gases or liquids caused by excavation activities.

PROVISIONS

1. Requires the person responsible for damage to an underground facility caused by an excavation activity to notify the facility operator and 911 or other emergency response agencies if the damage results in the release of natural gas, liquefied petroleum gas, liquefied natural gas, petroleum products or other hazardous gases.
2. Makes conforming changes

CURRENT LAW AND ADDITIONAL INFORMATION

Underground facilities are lines, cables and pipes used for storage and transportation of water, sewage, electricity, telephone, oil, gas or other substances ([A.R.S. § 40-360.21 \(22\)](#)).

The [Underground Facilities Law](#), commonly known as the Blue Stake Law, requires underground facilities to be marked before any excavation activities take place ([A.R.S. § 40-360.22](#)). Anyone, including homeowners and professional excavators, must contact Arizona 811 before digging and a utility locator will respond to mark all underground facilities in the area of excavation. No digging may take place until all utilities have been marked and any violators may be subject to a civil penalty of up to \$5,000.

Arizona 811 is a call center located in Tempe, Arizona that facilitates the notification of proposed excavation activities between a facility operator and an excavator.



HOUSE OF REPRESENTATIVES

SB 1190

conservation districts; education centers

Prime Sponsor: Senator Griffin, LD 14

DP Committee on Energy, Environment and Natural Resources

X Caucus and COW

House Engrossed

OVERVIEW

SB 1190 provides methods for natural resource conservation district (NRCD) education centers to increase knowledge of natural resources.

PROVISIONS

1. Allows NRCD education centers to provide education and training opportunities, both inside and outside of the district, to increase knowledge of natural resources by:
 - a. Offering technical guidance and training to agricultural producers;
 - b. Publishing scholarly materials; and
 - c. Conducting or sponsoring scientific studies.
2. Makes a technical change.

CURRENT LAW

A.R.S § 37-1054 allows NRCDs to organize and establish education centers; however, current law does not specify how education centers may provide education and training opportunities.

ADDITIONAL INFORMATION

The [NRCD](#) program was created under [A.R.S. Title 37](#), Chapter 6 to restore, conserve, and protect the state's natural resources to promote the health, safety and welfare of the public. There are currently 32 NRCDs and 24 education centers in Arizona that are managed and funded by the State Land Department.



HOUSE OF REPRESENTATIVES

SCM 1007

ozone concentration standard; urging EPA
Prime Sponsor: Senator Griffin, LD 14

DP Committee on Energy, Environment and Natural Resources

X Caucus and COW

House Engrossed

OVERVIEW

SCM 1007 urges the Environmental Protection Agency to reinstate the 75 parts per billion (ppb) ozone standard.

PROVISIONS

1. Urges the EPA to reinstate the 75 ppb ozone standard.
2. Requests the Secretary of State to transmit copies of the memorial to the EPA administrator, the President of the United States, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives and members of Congress from Arizona.

ADDITIONAL INFORMATION

The EPA changed the primary and secondary National Ambient Air Quality Standard for ground-level ozone on October 1, 2015 from 75 ppb to 70 ppb. As stated in the [preamble](#) of the rule, the purpose of the updated standard is to improve public health as well as the health of trees, plants and ecosystems. States are required to submit nonattainment or attainment designation recommendations to the EPA by October 1, 2016.

Areas designated by the EPA as nonattainment are required by the Clean Air Act to develop and submit to the EPA for approval a state implementation plan that includes details on how the state will achieve attainment. Nonattainment areas will have until 2020 to late 2037 to meet the revised standard depending on the nonattainment classification.

The Phoenix Metropolitan area was designated as nonattainment for the 2008 ozone standard revision of 75 ppb and is currently classified as a moderate nonattainment area. The EPA reclassified the area from marginal to moderate nonattainment due to the area not meeting the July 20, 2015 attainment date ([80 FR 51992](#)).

According to [Arizona Department of Environmental Quality](#), nine of the 10 counties that monitor ozone levels will likely exceed the new ozone standard, including Cochise, Coconino, Gila, La Paz, Maricopa, Pima, Pinal, Yavapai and Yuma Counties.



HOUSE OF REPRESENTATIVES

SB 1042

Prescott historical society; continuation
Prime Sponsor: Senator Kavanagh, LD 23

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

SB 1042 continues the Prescott Historical Society of Arizona (Society) for eight years.

PROVISIONS

1. Continues the Society for eight years.
2. Contains a purpose statement and a retroactive clause.

CURRENT LAW

The purpose of the Society is to preserve, maintain and perpetuate the Gubernatorial Mansion, the Sharlot Hall Museum and the historical collections contained in the mansion and museum and on the grounds of the mansion and museum in Prescott, Arizona. The Society receives funding through legislative appropriations and monies received through donations and fees ([A.R.S. § 41-833](#)).

ADDITIONAL INFORMATION

The Fiscal Year 2017 [baseline](#) includes \$825,800 and 13 Full-Time Equivalent positions from the state General Fund. The Senate Government and House Government and Higher Education Committee of Reference met on December 16, 2015, and [recommended](#) continuation of the Prescott Historical Society of Arizona for eight years.



HOUSE OF REPRESENTATIVES

SB 1043

state personnel board; continuation

Prime Sponsor: Senator Kavanagh, LD 23

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

SB 1043 continues the State Personnel Board (Board) for eight years.

PROVISIONS

1. Continues the Board for eight years.
2. Contains a purpose statement and a retroactive clause.

CURRENT LAW

The Board is required to hear and review appeals relating to dismissal of a covered employee from covered service, suspension for more than 80 working hours or involuntary demotion resulting from disciplinary action as defined in the personnel rules for an employee in covered service. With the exception of an employee or former employee of a state university or the Arizona Board of Regents, the Board must hear and review complaints relating to any personnel action taken against an employee or former employee of this state in which the employee or former employee believes was taken in reprisal for their disclosure of information to a public body. The Board must recommend the dismissal of a supervisor or other responsible person, other than an elected official, who is determined to have committed a prohibited personnel practice ([A.R.S. § 41-782](#)).

ADDITIONAL INFORMATION

The Fiscal Year 2017 [baseline](#) includes \$375,700 and three Full Time Equivalent positions from the Personnel Board Subaccount of the Personnel Division Fund. The Senate Government and House Government and Higher Education Committee of Reference met on November 23, 2015, and [recommended](#) continuation of the Prescott Historical Society of Arizona for eight years.



HOUSE OF REPRESENTATIVES

SB 1045

pioneers' home; miners hospital; continuation
Prime Sponsor: Senator Kavanagh, LD 23

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

SB 1045 continues the Arizona Pioneers' Home/Disabled Miners' Hospital (Home) for eight years.

PROVISIONS

1. Continues the Home for eight years.
2. Contains a purpose statement and a retroactive clause.

CURRENT LAW

The Home is a home for aged and infirm Arizona pioneers and must be designated as the hospital for miners with disabilities in Prescott, Arizona ([A.R.S. § 41-921](#)). A person of good character is eligible for admittance to the Home who: 1) is and has been a citizen or legal resident of the U.S. for a period of 5 years prior to their application; 2) has been an Arizona resident for at least 50 years; 3) is at least 70 years of age; and 4) at the time of admission, is ambulatory, has proper bowel and bladder control and is able to bathe, clothe and feed themselves without assistance, and does not require care in a hospital or in a skilled care or intermediate care nursing home ([A.R.S. § 41-923](#)).

The Home Fund is established consisting of monies, grants, gifts and contributions donated to the Home and proceeds deposited ([A.R.S. § 41-926](#)). A person must be admitted to the hospital for miners with disabilities (hospital) who: 1) has been a resident while in the occupation of mining in Arizona; 2) is a citizen or legal resident of the U.S.; 3) is at least 60 years of age; and 4) is financially unable to support themselves or has suffered incapacitating injuries arising from and in the course of mining. The Governor may approve a person for admission to the hospital who is under 60 years of age but otherwise qualifies for admission ([A.R.S. § 41-942](#)).

ADDITIONAL INFORMATION

The Fiscal Year 2017 [baseline](#) includes \$6,004,900 and 106.3 Full Time Equivalent positions. The Senate Government and House Government and Higher Education Committee of Reference met on December 18, 2015, and [recommended](#) continuation of the Arizona Pioneers' Home for eight years.



HOUSE OF REPRESENTATIVES

SB 1115

charter school sponsors; community colleges
Prime Sponsor: Senator Allen S, LD 6

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

SB 1115 eliminates the full-time equivalent student (FTSE) enrollment requirement for a community college district or a group of community college districts to sponsor a charter school.

PROVISIONS

1. Removes the FTSE requirement for a community college district or a group of community college districts to sponsor a charter school.
2. Makes technical and conforming changes.

CURRENT LAW

The sponsor of a charter school may be: 1) a school district governing board; 2) the State Board of Education; 3) the State Board for Charter Schools; 4) any university under the Arizona Board of Regents; and 5) a community college district with enrollment of more than 15,000 FTSE students or a group of community college districts with a combined enrollment of more than 15,000 FTSE students ([A.R.S. § 15-183](#)).



HOUSE OF REPRESENTATIVES

SCR 1005

rights of caregivers; recognition

Prime Sponsor: Senator Barto, LD 15

DP Committee on Health

X Caucus and COW

House Engrossed

OVERVIEW

SCR 1005 urges the Arizona legislature to recognize the rights of family members, caregivers and guardians of individuals with serious mental illness.

PROVISIONS

1. Urges the members of the legislature to recognize that family members, caregivers and guardians of an individual with serious mental illness have the right to:
 - a. Communicate with all providers of behavioral health care services for that individual;
 - b. Be treated with respect and compassion when seeking the appropriate treatment and care for that individual;
 - c. Receive access to approved information during discharge planning if there is an executed release of information on file or if a valid guardianship is in place;
 - d. Receive information that will enable them to effectively evaluate the safety and security of their homes on discharge of that individual into their care;
 - e. Expect to receive information relating to support services available in the community at all levels of service, including family support, education, counseling and grief counseling; and
 - f. File a grievance, complaint or concern without fear of retaliation and to expect to receive information regarding the process of such filings.
2. Requests that the members of the legislature recognize that family members, caregivers and guardians of an individual with serious mental illness to make every effort to establish a complete medical history that includes information received from family members, caregivers and guardians and to actively include family members, caregivers and guardians in treatment planning.

CURRENT LAW

Not currently addressed in statute.

ADDITIONAL INFORMATION

SCR 1005 states that family members, caregivers and guardians of an individual with a serious mental illness are recognized as an integral part of that individual's treatment team. It also states that it is in the best interests of individuals with a serious mental illness for their behavioral health care providers to have access to any critical medical information and history known to family members, caregivers and guardians in order to enhance treatment, and under federal and state law allows them to share this information. Existing federal and state laws allow for family members, caregivers and guardians of an individual with a serious mental illness to share critical medical information and history with that individual's behavioral health care providers. Additionally, it states that it is not in the best interests of an individual with a serious mental illness to be discharged to a family member, caregiver or guardian without first equipping that family member, caregiver or guardian with sufficient information and resources to provide adequate supportive and ongoing care.



HOUSE OF REPRESENTATIVES

SB 1047

county attorney; powers and duties

Prime Sponsor: Senator Kavanagh, LD 23

DP Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

SB 1047 allows a county attorney to provide civil legal services to another city, town or county at the request of that county, city or town's *general counsel*.

PROVISIONS

1. Permits a county attorney to provide civil legal services to another county or political subdivision or to an officer, employee or agency of a political subdivision at the request of the entity's *general counsel*.
2. Defines *general counsel* as an elected or appointed county attorney, city attorney or town attorney.
3. Makes technical changes.

CURRENT LAW

[A.R.S. § 11-532](#) outlines the powers and duties of the county attorney, who is the public prosecutor for the county. [Laws 2010, Ch. 319, § 1](#) added Subsection E, which allows any county attorney to provide civil legal services for another county or political subdivision pursuant to an intergovernmental agreement (IGA) entered into by the county and the other entity. The IGA must include any payment that will be made and the scope of representation. This section also permits a county attorney to obtain civil legal services for the county or for any officer, employee or agency of the county from another county or political subdivision, pursuant to an IGA.

A.R.S. Title 11, Chapter 7, Article 3 governs the joint exercise of powers for counties. [A.R.S. § 11-952](#) grants the authority for public agencies to enter into IGAs, includes the information that must be included in IGAs and outlines the process for adopting an IGA. All IGAs must be submitted to the entity's attorney to determine whether the agreement is in proper form and within the powers and authority granted to the entity. Prior to being effective, an IGA must be adopted through ordinance or resolution by the governing body of each participating agency.



HOUSE OF REPRESENTATIVES

SB 1106

food stamp benefits; unlawful use

Prime Sponsor: Senator Barto, LD 15

DP Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

SB 1106 prohibits the sale, transfer, acquisition or redemption of food stamps for cash or items other than *eligible food*.

PROVISIONS

1. Makes it unlawful to buy, sell, transfer, acquire or redeem food stamps or other *eligible food* purchased with food stamps in exchange for cash or items other than *eligible food*. Makes it a Class 5 felony ([presumptive 1½ years of incarceration, fine of up to \\$150,000 plus surcharges](#)).
2. Defines *eligible food* as any of the following:
 - a. Any food or food product intended for human consumption with specific exceptions;
 - b. Seeds and plants to grow foods for personal consumption of an eligible household;
 - c. Meals prepared and delivered by an authorized delivery service to an eligible household;
 - d. Meals served by an authorized communal dining facility for the elderly or a supplemental security income household to an eligible household;
 - e. Meals prepared and served by a rehabilitation center;
 - f. Meals that are prepared and served by a facility to blind or disabled residents;
 - g. Meals prepared and served to eligible residents by a shelter for battered women and children;
 - h. Meals prepared and served by an appropriate authorized public or private nonprofit establishment that feeds homeless persons;
 - i. Meals prepared by a restaurant that contracts with an appropriate state agency to serve meals to homeless persons and households in which all persons are elderly or disabled.
3. Makes technical, clarifying and conforming changes.

CURRENT LAW

[A.R.S. § 13-3701](#) makes it illegal to use food stamps if the person knowingly:

- Uses, transfers, acquires, possesses or redeems food stamps through fabricated means or material omission;
 - If the value of the food stamps is \$100 or less, it is a Class 1 misdemeanor (up to 6 months in jail, fine up to \$2,500 plus surcharges).
 - If the value of the food stamps is more than \$100, it is a Class 6 felony (presumptive 1 years of incarceration, fine up to \$150,000 plus surcharges).
- Counterfeits, alters, uses, transfers, acquires or possesses counterfeited or altered food stamps of EBT cards (Class 5 felony);
- Appropriates food stamps with which the person has been entrusted or of which the person has gained possession by virtue of a position as a public employee (Class 5 felony); or
- Uses food stamps of another person after an unlawful transfer (Class 5 felony).

ADDITIONAL INFORMATION

The Department of Economic Security regulates food stamps under the [Nutrition Assistance program](#) (NA). Under the NA, the following foods cannot be purchased with NA benefits:

- Alcoholic beverages and tobacco;
- Non-food items such as soap, paper products, cleaning supplies and cooking utensils;
- Items used for gardening such as fertilizer, peat moss and similar products;
- Items that are not to be eaten by people such as laundry starch, dog and cat food, seeds packaged as bird seed or decorative dye used to color hard-cooked eggs;

- Vitamins and minerals in any form;
- All health aids, such as aspirin, cough drops or syrups, cold remedies, antacids and all prescription medicines; and
- Hot foods and prepared meals, except when the person is part of the Restaurant Meals Program (RMP).

In order to be eligible for the RMP, a person must be elderly, homeless, or have a disability.



HOUSE OF REPRESENTATIVES

SB 1210

resource center fund; purposes

Prime Sponsor: Senator Kavanagh, LD 23

DP Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

SB 1210 allows monies in the Resource Center Fund (Fund) to be used to fund the Arizona Statistical Analysis Center.

PROVISIONS

1. Permits the Arizona Criminal Justice Commission (ACJC) Fund to be used to fund the Arizona Statistical Analysis Center.
2. Removes reporting requirements specific to the Drug and Gang Prevention Resource Center (Resource Center).
3. Makes technical changes.

CURRENT LAW

[A.R.S. § 41-2402](#) outlines the Drug and Gang Enforcement Account (Account) that is established in the Criminal Justice Enhancement Fund. The Account is appropriated monies primarily by the legislature for the purposes of enhancing efforts to deter, investigate, prosecute, adjudicate and punish drug offenders and gang members ([FY 2017 Baseline Report](#)). The ACJC is permitted to distribute monies from the Account to specific programs or agencies conducting activities for drug and gang enforcement.

The Fund consists of monies received through notary bonds ([A.R.S. § 41-178](#)), the state treasury ([A.R.S. § 12-284.03](#)) and monies received from public or private gifts, grants or other sources. Monies in the Fund are subject to legislative appropriation and are used entirely for the Arizona Youth Survey. These monies are subject to the reporting requirements prescribed in [A.R.S. § 41-617.01](#).

[A.R.S. § 41-617.01](#) states that the Resource Center must annually submit a report to the Governor, President of the Senate and Speaker of the House of Representatives. This report must include:

- Information regarding the current and future activities of the Resource Center;
- The source and use of monies received by the Resource Center to fund its activities; and
- Recommendations for administrative or legislative action.

ADDITIONAL INFORMATION

The ACJC created the Arizona Statistical Analysis Center to collect, analyze and report on the state of criminal justice issues in Arizona. The Arizona Statistical Analysis Center evaluates programs and policies of local, state and federal criminal justice agencies. The Arizona Statistical Analysis Center also shares information and data in regards to the criminal and juvenile justice systems in Arizona to policymakers, practitioners and the general public.

The ACJC created the Arizona Youth Survey to gather information and data relating to substance abuse prevention planning and grant writing. The focus of the survey is to better understand the prevalence and frequency of problematic youth behaviors such as juvenile delinquency, gang involvement and alcohol, tobacco and illegal drug use.



HOUSE OF REPRESENTATIVES

SB 1214

criminal trials; location

Prime Sponsor: Senator Smith, LD 11

DP Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

SB 1214 provides that the trial for a criminal offense committed in transit may occur in any county through which the transit occurred.

PROVISIONS

1. States that the trial for any offense committed in transit may be held in any county through which the transit occurred.

CURRENT LAW

[A.R.S. § 13-109](#) requires crimes to be tried in the county where the offense or the result of the conduct occurred. The statute outlines several special provisions, including if an offense is committed in transit on any railroad, train, automobile, vessel or other conveyance and the actual county where the offense occurred is not easily determined. In this case, the trial may be held in any of the counties through or over which the conveyance passed.



HOUSE OF REPRESENTATIVES

SB 1286

internet sex offender website; offenses

Prime Sponsor: Senator Kavanagh, LD 23

DPA Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

SB 1286 adds persons convicted of specific offenses to the Arizona Department of Public Safety's (ADPS) internet sex offender website (website).

PROVISIONS

1. Adds any person convicted or adjudicated guilty except insane (GEI) of the following offenses to the website:
 - i. Sexual assault ([A.R.S. § 13-1406](#));
 - ii. Sexual exploitation of a minor ([A.R.S. § 13-3553](#));
 - iii. Commercial sexual exploitation of a minor ([A.R.S. § 13-3552](#));
 - iv. Taking a child for the purpose of prostitution ([A.R.S. § 13-3206](#));
 - v. Child prostitution ([A.R.S. § 13-3212](#)) offenses related to:
 - Causing a minor to engage in prostitution;
 - Using a minor for prostitution;
 - Permitting a minor under the person's custody/control to engage in prostitution;
 - Receiving any benefit for procuring or placing a minor for prostitution;
 - Financing, managing, supervising, controlling or owning prostitution activity involving a minor;
 - Transporting or financing transportation for a minor with the intent that the minor engage in prostitution;
 - Knowingly engaging in prostitution with a minor under 15 years of age;
 - Knowingly engaging in prostitution with a minor the person knows or should have known is 15, 16 or 17 years old;
 - vi. Luring ([A.R.S. § 13-3554](#)) or aggravated luring ([A.R.S. § 13-3560](#)) of a minor for sexual exploitation;
 - vii. Any of the following if the victim is under 12 years old:
 - Sexual abuse ([A.R.S. § 13-1404](#));
 - Molestation ([A.R.S. § 13-1410](#));
 - Sexual conduct with a minor ([A.R.S. § 13-1405](#));
 - Continuous sexual abuse of a child ([A.R.S. § 13-1417](#)).
2. Applies these changes to all persons convicted or adjudicated GEI before, on or after the effective date.
3. Makes technical and conforming changes.

JUDICIARY COMMITTEE AMENDMENT

1. States that ADPS is not required to include information on the website for offenders who are added by SB 1286 until July 1, 2017, if the offender was convicted before the effective date.
2. Clarifies that the new offender posting requirements do not apply to offenders while they are incarcerated.
3. Makes a clarifying change.

CURRENT LAW

A.R.S. Title 13, Ch. 38, Article 3 governs the registration and community notification for sex offenders in Arizona. [A.R.S. § 13-3821](#) outlines who must register as a sex offender and prescribes requirements for registration.

Separate from the act of registering as a sex offender, specific offenders are also subject to community notification as outlined in [A.R.S. § 13-3826](#). Community notification was added to Arizona statutes in 1996 through the enactment of “Megan’s Law.” Community notification was originally applied prospectively to offenders convicted after June 1, 1996. In 2004, the Legislature enacted SB 1291, which applied community notification to all registered sex offenders, regardless of when the offender was convicted ([Laws 2004, Ch. 308](#)).

To conduct community notification, first the offender is screened using a 19-point risk assessment, which results in a numerical score. The score determines if the offender will be categorized as a Level 1, Level 2 or Level 3 risk to the community. Offenders given a Level 2 or Level 3 designation are subject to community notification and they are included on the website pursuant to [A.R.S. § 13-3827](#). The website includes the offender’s name, address, age, current photograph and the offense that the offender committed. Each entry must be annually updated by ADPS.

SB 1291 made conducting the risk assessment on offenders convicted before June 1, 1996 permissive, allowing the agency with custody or supervision responsibility to conduct the risk assessment. The statute states that community notification cannot be conducted until after a risk assessment has been completed on the offender.

ADDITIONAL INFORMATION

According to ADPS, there are currently 15,438 registered sex offenders in Arizona. Of those:

- 3,809 are classified as Level 1;
- 3,922 are classified as Level 2;
- 2,467 are classified as Level 3;
- 3,044 are not currently classified (juvenile adjudications not subject to notification requirements / persons who were convicted prior to 1996 and for whom a risk assessment has not been completed); and
- 2,196 have not been classified due to incarceration.

ADPS estimates that it will have to review the files for 6,853 offenders to determine if they meet the criteria to be added to the website.



HOUSE OF REPRESENTATIVES

SB 1295

DUI; watercraft; medical practitioner; authorization
Prime Sponsor: Senator Driggs, LD 28

DP Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

SB 1295 modifies a defense to driving under the influence (DUI) or operating motorized watercraft under the influence (OUI) of drugs.

PROVISIONS

1. Expands the defense to prosecution for a DUI or OUI violation resulting from the person having any drug or its metabolite in the person's body to include if the person is using a drug prescribed by a licensed medical practitioner who is authorized to prescribe the drug.

CURRENT LAW

[A.R.S. § 5-395](#) and [A.R.S. § 28-1381](#) make it illegal to operate either a motorized watercraft or a vehicle under the influence of alcohol or drugs. The offense is split into three categories:

- Operating under the influence of drugs or alcohol, if the person is impaired to the slightest degree;
- Operating within two hours of having an alcohol concentration of 0.08 or greater;
- Operating while there is any drug as defined in [A.R.S. § 13-3401](#) or the drug's metabolite in the person's body.

Current law provides a defense to the third category, commonly referred to as an (A)(3) violation, if the person using the drug has it prescribed by a medical practitioner licensed to practice under any of the following statutes:

- A.R.S. Title 32, Ch. 7 (Podiatry)
- A.R.S. Title 32, Ch. 11 (Dentistry)
- A.R.S. Title 32, Ch. 13 (Medicine and Surgery)
- A.R.S. Title 32, Ch. 17 (Osteopathic Physicians & Surgeons)

In addition to the medical professionals listed above, the following individuals are also currently authorized to prescribe drugs:

- Physician Assistants ([A.R.S. § 32-2532](#))
- Registered Nurse Practitioners ([A.A.C. R4-19-507](#))
- Naturopathic Physicians ([A.R.S. § 32-1501\(15\)](#))
- Optometrists ([A.R.S. 32-1701](#))
- Homeopathic Medical Doctors ([A.R.S. 32-2901](#))
- Veterinarians; scope of practice limited to treating animals ([A.R.S. 32-2281](#))

ADDITIONAL INFORMATION

More information about the prescriptive authority of health professionals can be found [here](#).



HOUSE OF REPRESENTATIVES

SB 1196

silver alert; Alzheimer's disease

Prime Sponsor: Senator Griffin, LD 14

DP Committee on Military Affairs and Public Safety

X Caucus and COW

House Engrossed

OVERVIEW

SB 1196 allows a Silver Alert to be issued for a missing person with Alzheimer's or a related disorder.

PROVISIONS

1. Expands the use of the Silver Alert System to allow a Silver Alert to be issued for a missing person who has Alzheimer's or a related disorder.

CURRENT LAW

[A.R.S. § 41-1728](#) outlines the conditions necessary to activate the Emergency Alert System and issue a Silver Alert, which require:

1. The missing person to be 65 years of age or older;
2. The law enforcement agency investigating the missing person report to use all available local resources and make certain determinations based on statutory criteria;
3. Information to exist that could assist in the safe recovery of the missing person if disseminated to the public; and
4. The Department of Public Safety to have been designated to use the federally authorized Emergency Alert System for the issuance of Silver Alerts.

ADDITIONAL INFORMATION

Alzheimer's disease is a type of dementia that affects with memory, thinking and behavior.

Laws 2014, Chapter 232 established the state's Silver Alert Notification System.



HOUSE OF REPRESENTATIVES

SB 1008

VLT; fee exemptions; first responders

Prime Sponsor: Senator Kavanagh, LD 23

DP Committee on Transportation & Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

SB 1008 modifies the VLT and registration fee exemption allotted to the spouse or dependent of a deceased law enforcement officer, firefighter or emergency responder to include volunteer first responders.

PROVISIONS

1. Modifies the VLT and registration exemption to include the spouse or dependent of a first responder, rather than a law enforcement officer, firefighter or emergency responder.
2. Stipulates that the VLT and registration fee exemptions allotted to the spouse or dependent of a deceased law enforcement officer, firefighter or ambulance attendance includes volunteer first responders operating in an official capacity on behalf of a government entity that is involved in an emergency or law enforcement response.
3. Defines *first responder*.
4. Stipulates that the provisions of the bill apply retroactively to January 1, 2016.
5. Contains an Emergency Clause.

CURRENT LAW

A vehicle license tax is required to be paid for all vehicles registered for operation upon highways ([Article IX, Section 11, Constitution of Arizona](#)). In addition, an eight dollar registration fee is required for all motor vehicles and a nine dollar fee is assessed for all motorcycles ([A.R.S. § 28-2003](#)). Currently, [A.R.S. § 28-5803.01](#) exempts surviving spouses and dependents of deceased law enforcement officers, firefighters or emergency responders killed in the line of duty or as a result of injuries sustained in the line of duty from paying a VLT or registration fee. [A.R.S. § 36-661](#) defines a *first responder* as a law enforcement officer, a firefighter or an ambulance attendant.



HOUSE OF REPRESENTATIVES

SB 1207

department of transportation; continuation.
Prime Sponsor: Senator Worsley, LD 25

DP Committee on Transportation and Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

SB 1207 continues the Arizona Department of Transportation (ADOT) for eight years.

PROVISIONS

1. Continues ADOT for eight years.
2. Contains a purpose statement.
3. Contains a retroactivity clause.

CURRENT LAW

According to A.R.S. § 41-3016.27 ADOT is to be terminated on July 1, 2016.

ADDITIONAL INFORMATION

ADOT was established in 1974 and is responsible for collecting transportation-related revenues and for planning, constructing, and maintaining the State's multimodal transportation system.

The Department consists of five divisions: Motor Vehicle, Intermodal Transportation, Multimodal Planning, Enforcement and Compliance, and Administrative Services. As of June 2015, the Department reported having a total of 4,548 appropriated full-time equivalent (FTE) positions, of which 447 were vacant. ([Auditor General Report Sunset Factors, Report No. 15-114](#))

The Committee of Reference (COR) met on November 10, 2015 and recommended an extension of eight years for ADOT.



HOUSE OF REPRESENTATIVES

SB 1228

ignition interlock requirement; DUI; drugs
Prime Sponsor: Senator Kavanagh, LD 23

DP Committee on Transportation and Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

SB 1228 eliminates the ignition interlock device (IID) requirement for a driving under the influence (DUI) violation not involving intoxicating liquor and allows the court to require an IID.

PROVISIONS

1. Removes the requirement for an individual who has been convicted of a DUI or aggravated DUI which does not involve intoxicating liquor to equip any vehicle they operate with a certified IID and authorizes the court to enforce an IID requirement.
 - a. Mandates MVD to require such an individual to equip any motor vehicle they operate with a certified IID if the court orders such action.
 - b. Outlines administrative guidelines.
2. Permits the court to order a person convicted of a DUI or aggravated DUI to equip their vehicle with an IID for more than 12 months beginning on the date of reinstatement of the individual's driver license, following the suspension or revocation, or on the date of MVD's receipt of the report of conviction, whichever occurs later.
3. Removes the following requirements for MVD:
 - a. to remove the IID requirement if a person is convicted of a DUI of a drug or its metabolite in the person's body, and
 - b. to revoke the driver license of a person who is convicted of a DUI of a drug or its metabolite in the person's body.
4. Makes conforming changes.

CURRENT LAW

Title 28, Chapter 4, A.R.S. outlines provisions regarding DUI violations. Specifically, [A.R.S. § 28-1381\(A\)\(1\)](#) states that it is unlawful for a person to drive a vehicle while under the influence of intoxicating liquor, any drug, a vapor releasing substance containing a toxic substance or any combination of any of these substances, if the person is impaired to the slightest degree.

If a person is convicted of a DUI or aggravated DUI, the person is required to do the following:

- serve not less than ten consecutive days in jail without probation or suspension of execution of sentence;
- pay a fine of not less the \$250;
- perform community restitution, if ordered by the court;
- pay an additional assessment of \$500, which is deposited into the prison construction and operations fund ([A.R.S. § 41-1651](#)); and
- equip any motor vehicle operated by the person with a certified IID (defined by [A.R.S. § 28-1301\(1\)](#)).



HOUSE OF REPRESENTATIVES

SB 1241

photo radar prohibition; state highways
Prime Sponsor: Senator Lesko, LD 21

DP Committee on Transportation and Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

SB 1241 prohibits the state or local authority from using a photo enforcement system on a state highway.

PROVISIONS

1. Provides that the state or local authority may not use a photo enforcement system on a state highway to identify traffic sign, signal, marking or speed violations.
2. Contains a legislative intent clause.
3. Makes conforming changes.

CURRENT LAW

[A.R.S. § 28-601](#) defines a photo enforcement system as a device substantially consisting of a radar unit or sensor linked to a camera or other recording device that produces one or more photographs, microphotographs, videotapes or digital or other recorded images of a vehicle license plate for the purpose of identifying speed and red light violators.

Currently, [A.R.S. § 28-1206](#) prohibits a city or town from placing a photo enforcement system on a state highway unless the city or town proves to ADOT that the photo enforcement system is necessary for public safety and obtains a permit or enters into a contract with ADOT to use the right-of-way.



HOUSE OF REPRESENTATIVES

SB 1255

vehicle emissions inspection program; continuation
Prime Sponsor: Senator Pierce, LD 1

DP Committee on Transportation and Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

SB 1255 continues the Vehicle Emissions Inspection Program (VEIP) for six years.

PROVISIONS

1. Continues the VEIP for six years.
2. Contains a purpose statement.

CURRENT LAW

According to A.R.S. § 41-3017.01 the VEIP is to be terminated on January 1, 2017.

ADDITIONAL INFORMATION

The federal Clean Air Act prompted the State of Arizona to adopt the Department of Environmental Quality Vehicle Emissions Inspection Program in 1976. ([Arizona Auditor General Performance Audit, Report No. 07-12](#))

The VEIP emphasizes the importance of maintaining vehicle performance to lower the amount of emissions and to extend the life of your car. It utilizes new testing technology and customer service measures to increase the effectiveness of emissions testing.

The [Arizona Department of Environmental Quality](#) is responsible for the emissions testing program and laws, which collaborates with ADOT.

The Committee of Reference (COR) met on November 10, 2015 and recommended an extension of five years for the VEIP.



HOUSE OF REPRESENTATIVES

SB 1357

vehicle certificates of title

Prime Sponsor: Senator Worsley, LD 25

DP Committee on Transportation and Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

SB 1357 allows the Arizona Department of Transportation (ADOT) to adopt an electronic system for issuing and maintaining electronic certifications of title (title) and modifies requirements for motor vehicle dealers.

PROVISIONS

Electronic Records and Systems

1. Permits the director of ADOT to establish an electronic system for issuing and maintaining electronic titles and procedures for sharing information with law enforcement agencies.
2. Allows a licensed insurance company to execute power of attorney for a vehicle title and registration involving a total loss vehicle settlement without notarization if a licensed insurance company electronically submits the power of attorney.
3. Requires a lienholder to electronically submit the repossession affidavit to ADOT if the lienholder is a financial institution.
4. Makes certain ADOT pilot electronic programs permanent.
5. Mandates a lienholder to notify the next holder of the lien or encumbrance, rather than deliver the title.

Forms and Documents

6. Allows a vehicle owner to apply for a duplicate paper title in the manner prescribed by ADOT.
7. Requires an individual to submit a manufacturer's certificate of origin with an application for a title for a new car.
8. Restricts ADOT from issuing a title without registration for a vehicle under specified circumstances.
9. States that ADOT is to issue a title for an unregistered commercial fleet vehicle if the fleet operator has an international or alternative proportional registration, or if the vehicle is a trailer or semitrailer registered in another state and is used for interstate commerce.
10. Provides that ADOT or an authorized third party is to create the title and provide forms for assignment of title or interest and warranty containing an odometer disclosure statement.
11. Allows a vehicle owner to provide indicia of ownership in certain circumstances, rather than be identified on ADOT's record.
12. Requires indicia of ownership to be provided to a spouse or person who has interest in a vehicle for each person requesting an immobilization or post-storage hearing for an immobilized or impounded vehicle.
 - a. Directs an immobilizing or impounding agency to release a vehicle before the end of the immobilization or impoundment period if the vehicle's ownership and the vehicle is driven by a customer, potential customer or employee of the dealer.
13. Permits, rather than requires, ADOT to inspect a foreign vehicle before issuing a title or registration.

Motor Vehicle Dealers

14. Requires a wholesale motor vehicle dealer or broker to be a legal resident of Arizona.
15. Exempts a new motor vehicle dealer from the mandated criminal records check.
16. Requires a wholesale motor vehicle dealer to sell at least 10 vehicles to one or more licensed new or used motor vehicle dealers in the prior license year in order to qualify for a motor vehicle dealer license plate.

17. Allows the director of ADOT to establish an education and training program for individuals applying for used or wholesale motor vehicle dealer licenses.
 - a. Allows the education and training program to be administered by a contracted private entity and permits the private entity to charge a fee to each person who applies for an initial or renewal used or wholesale motor vehicle dealer license.

Miscellaneous

18. Defines *certificate of ownership*, *certificate of title*, *indicia of ownership* and *title transfer form*.
19. Makes technical and conforming changes.

CURRENT LAW

Currently, [A.R.S. §§ 28-2051](#) and [-2052](#) requires the purchaser or transferee of a motor vehicle, trailer or semitrailer to submit a title application to ADOT, which then is filed and is determined if is satisfactory. If ADOT approves an application, the department then registers the vehicle and the owner. According to [A.R.S. § 28-2003\(A\)\(1\)](#), a title for a motor vehicle costs \$4.

[A.R.S. § 28-4301\(22\)](#) defines a *motor vehicle dealer* as a new motor vehicle dealer, a used motor vehicle dealer, a public consignment auction dealer, a broker or a wholesale motor vehicle auction dealer, excluding a person who comes into possession of a motor vehicle as an incident to the person's regular business and who sells, auctions or exchanges the motor vehicle.



HOUSE OF REPRESENTATIVES

SB 1358

motor vehicle dealer licensing

Prime Sponsor: Senator Worsley, LD 25

DP Committee on Transportation and Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

SB 1358 states that a motor vehicle dealer must obtain a license through the Arizona Department of Transportation (ADOT) Motor Vehicle Division (MVD), rather than the MVD and the Department of Financial Institutions (DFI), and modifies the motor vehicle dealer licensing fee structure.

PROVISIONS

1. Removes the requirement for a motor vehicle dealer to apply through DFI and provide \$300 for an application fee; and \$150 for an annual renewal.
2. Requires a motor vehicle dealer to pay a \$400 filing fee to MVD if the dealer has a contractual relationship with a third party lender.
 - a. Allocates \$300 of this fee to the General Fund (GF) and \$100 to the Arizona Highway User Revenue Fund (HURF).
3. Requires a motor vehicle dealer to pay a \$100 license continuation fee, if issued annually.
 - a. Mandates that if a dealer has a contractual relationship with a third party lender, the dealer is to pay a \$250 license continuation fee.
 - i. Allocates \$150 of this fee to the GF and \$100 to HURF.
4. Makes technical and conforming changes.

CURRENT LAW

Currently, a motor vehicle dealer is required to apply for a license through DFI and MVD. [A.R.S. § 6-126](#) states that a \$300 nonrefundable fee, and \$150 for an annual renewal, must be payable to DFI to apply for a motor vehicle dealer license. [A.R.S. § 28-4302\(A\)\(3\)](#) requires a dealer, manufacturer, distributor, importer, factory branch, distributor branch, automotive recycler, or wholesale motor vehicle dealer to pay a \$100 license filing fee, if the license is issued annually.

[A.R.S. § 28-4301\(22\)](#) defines a motor vehicle dealer as a new or used motor vehicle dealer, a public consignment auction dealer, a broker or a wholesale motor vehicle auction dealer, excluding a person who comes into possession of a motor vehicle as an incident to the person's regular business and who sells, auctions or exchanges the motor vehicle.



HOUSE OF REPRESENTATIVES

SB 1359

motorcycle safety fund; advisory council
Prime Sponsor: Senator Worsley, LD 25

DP Committee on Transportation and Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

SB 1359 continues the Motorcycle Safety Fund (Fund) and Advisory Council (council) through June 30, 2024.

PROVISIONS

1. Extends the date for the Director of ADOT to distribute a portion of motorcycle registration fees (one dollar) into the Fund to June 30, 2024.
2. Requires the council to operate through June 30, 2024.
3. Contains a retroactivity clause.

CURRENT LAW

[A.R.S. § 28-2010](#) states the Fund is made up of monies from gifts, grants and other donations, and is administered by the Director of the governor's office of highway safety (Director). The Fund will receive one dollar of every motorcycle registration fee deposited by the Director of ADOT through June 30, 2016.

This section states that the Fund is subject to legislative appropriation. The Director shall use the monies in the Fund (after consulting with the council) to implement and support voluntary motorcycle education, awareness and other programs, including covering the cost of materials for motorcycle safety, education and awareness programs.

Finally, this section outlines standards for the council. The council consists of five members who are appointed by the Governor for a three year term and have experience in motorcycle safety. The council is required to meet at least quarterly and on the call of the Director for advice on the expenditure of monies in the Fund.



HOUSE OF REPRESENTATIVES

SB 1316

board of trustees; disincorporation; repeal
Prime Sponsor: Senator Kavanagh, LD 23

DPA/SE Committee on Ways and Means

X Caucus and COW

House Engrossed

STRIKE-EVERYTHING SUMMARY

The proposed strike-everything amendment to SB 1316 establishes flexible credit loans, regulated by the Arizona Department of Financial Institutions (DFI) and outlines the requirements for licensure, loan plans, interest rates and finance charges.

PROVISIONS

Flexible Credit Lender Licensure

1. Requires a person seeking to engage in the business of making a flexible credit loan to be licensed by the Superintendent of DFI (Superintendent), unless exempted.
 - a. Specifies that each applicant for licensure must submit an application in writing, under oath, on a form prescribed by the Superintendent, along with an application fee to be determined by the Superintendent.
2. Requires a license to be renewed each year by June 30. A license not renewed by June 30th is suspended until renewal and if not renewed by July 31, is considered expired.
 - a. Establishes an annual license renewal fee of \$1,000, plus an additional \$200 for each branch office.
3. Allows the Superintendent to deny licensure or licensure renewal to an applicant for specified reasons.
4. Stipulates that a license is not transferable or assignable and a person cannot acquire control of a license through stock purchase or other device without written consent of the Superintendent.
5. Requires the Superintendent to issue a license within 120 days of receiving a complete application if the Superintendent finds no grounds for denial.
6. Stipulates that all licenses remain in full force until surrendered, revoked or suspended.
7. Specifies that a license is to remain a property of this state and requires a licensee, upon termination of a license, to immediately deliver the license to the Superintendent.
8. Directs a licensee to designate the principal location of the licensed office within or outside of the state.
9. Outlines the licensing process for a licensee that maintains multiple branch offices.
10. Requires a licensee to display a flexible credit lender license prominently in the licensee's office along with any branch offices.
11. Restricts a licensee from making flexible credit loans under any name or at any place of business other than the name and place stated on the license.
12. Allows a licensee to:
 - a. make flexible credit loans by mail or electronic means;
 - b. make accommodations to consumers at any location requested by the consumer; and
 - c. conduct any administrative, loan servicing or recordkeeping activity at any other location not open to the public, if the Superintendent is notified in advance.
13. Permits a licensee to change the location of its licensed office or licensed branch office by giving written notice to the Superintendent, who must amend the license accordingly.
14. Prohibits a licensee from making a flexible credit loan within any licensed office in which any other business not licensed and regulated by DFI is solicited or engaged in, or in association or conjunction with any other business not licensed and regulated by DFI, unless the licensee gives prior notice to the Superintendent.

15. Specifies that the revocation, suspension or surrender of a license does not impair or affect:
 - a. the obligation of any preexisting flexible credit loan between the lender and any consumer; and
 - b. the ability or right of a lender to service existing flexible credit loans outside of the state.
16. Requires the Superintendent to adopt rules necessary to regulate the proper conduct of licensees.
17. Requires DFI to examine flexible credit lenders.

Finance Charges

18. Permits a licensee to contract for and receive finance charges on a flexible credit loan, not exceed the following, if the original principal amount is at least \$500 but not more than \$2,500:
 - a. 17% per month if unsecured; and
 - b. 15% per month if secured with personal property.
19. Prohibits a licensee from compounding finance charges.

Other Fees

20. Allows a licensee, in addition to the finance charges prescribed above, to contract for and receive finance charges on the following fees:
 - a. A delinquency charge in an amount equal to 5% of the amount of any installment not paid in full within seven days after its due date.
 - b. Court costs.
 - c. Reasonable attorney fees if the flexible credit loan is referred for collection to an attorney other than a salaried employee of the licensee.
21. Allows a licensee to collect actual fees for the acquisition, processing and handling of personal property that secures the flexible credit loan.
22. Prohibits a licensee from directly or indirectly charging, contracting for or receiving any further or other amount in connection with a flexible credit loan.
23. Requires a licensee, by October 1 of each year, to report to the Superintendent the number of flexible credit loans made in the prior two years.

Exemptions

24. Stipulates that flexible credit loan statutes do not pertain to any person that:
 - a. does business under any other law of this state, or any other state while regulated by a state agency of that state, or of the United States, relating to specified financial institutions;
 - b. is licensed as a pawnbroker;
 - c. is not regularly engaged in the business of making flexible credit loans; or
 - d. is licensed as a consumer lender or governed under the Motor Vehicles Time Sales Disclosure Act.
25. Specifies that flexible credit loan statutory requirements do not apply to any of the following:
 - a. Closed-end loans of less than \$500 or more than \$2,500.
 - b. Consumer loans.
 - c. Flexible credit loans that are lawfully made to nonresidents of this state pursuant to a flexible credit loan law of another state.
 - d. Educational loans that are either:
 - i. made, insured or guaranteed pursuant to a program authorized by the United States, this state or any other state; or
 - ii. made by a 501 (c) (3) nonprofit organization to students who attend postsecondary educational institutions in this state.
 - e. Secondary motor vehicle finance transactions.

Prohibited Acts

26. Prohibits a licensee from knowingly advertising, displaying, distributing, broadcasting or televising any false or misleading statement with regard to the rates, terms or conditions of a flexible credit loan.
 - a. Requires all advertising to comply with the Truth in Lending Act.
27. Prohibits a consumer from having outstanding flexible credit loans totaling more than \$2,500 at any time.
 - a. Requires each licensee to inquire of any consumer seeking a flexible credit loan regarding the consumer's outstanding flexible credit loans.

28. Restricts a licensee from offering a flexible credit loan to a consumer until the licensee has verified that the consumer qualifies to open a new flexible credit loan.
29. Requires a licensee to determine if a consumer has any outstanding flexible credit loans as follows:
 - a. The consumer must sign an attestation stating whether the consumer has any flexible credit loans outstanding with the licensee or any other flexible credit lender and if so, the status of the loan.
 - b. The licensee must verify the accuracy of the attestation through commercially reasonable means, including either of the following:
 - i. Any private database approved by the Superintendent if all licensees are required to subscribe to the database or otherwise obtain the required information in a manner approved by the Superintendent on or before July 1, 2017.
 - ii. Until a private database or other approved manner of obtaining the required information is approved by the Superintendent or if the private database is not accessible, the attestation and the licensee's own records.
30. Requires DFI to investigate any finding that a consumer has illegally obtained a flexible credit loan from a lender in excess of \$2,500.
31. Restricts a licensee from making a flexible credit loan with an annual percentage rate greater than that set forth in federal law to:
 - a. a member of the United States Armed Forces who is on active duty under a call or order that does not specify a period of 30 days or less;
 - b. on active National Guard and Reserve duty; or
 - c. a dependent as defined in the John Warner National Defense Authorization Act for Fiscal Year 2007 or any regulation adopted pursuant to that Act.
32. Prohibits a licensee from making a flexible credit loan to a person unless that person has:
 - a. signed and provided to the licensee an attestation to whether or not the person is a military member or dependent; or
 - b. used another authorized method to determine the person is not a covered member as set out in federal law or by U.S. Department of Defense regulations.
33. Voids any loan made in violation of the John Warner National Defense Authorization Act.
34. Prohibits a licensee from conditioning a flexible credit loan on the consumer's agreement to make repayment by recurring automatic electronic funds transfers from the consumer's bank account.
 - a. A consumer may provide written authorization to make repayments by recurring automatic electronic funds transfers.

Restrictions

35. Specifies that a flexible credit loan is voidable, except as the result of an accidental or bona fide error, if the licensee charges, contracts for or receives any amount in excess of the finance charges and other fees allowed and the licensee fails to promptly refund the overcharges.
36. Voids any flexible credit loan made by a person that is not licensed.
37. Prohibits a licensee from collecting or receiving any principal, finance charges or other fees on a voided flexible credit loan.
38. Specifies that, except for the restrictions provided above, any failure to comply with this Act does not affect the validity or enforceability of any flexible credit loan.

Recordkeeping and Reporting

39. Requires a licensee to maintain books, accounts and records that enable the Superintendent to determine if the licensee is in compliance.
40. Directs a licensee to preserve its books, accounts and records of flexible credit loans for at least two years after making the final entry for any flexible credit loan.
41. Stipulates that a licensee that uses an electronic recordkeeping system is not required to keep a written copy of accounts and records if the licensee is able to generate all of the information required by this Act for examination.
42. Specifies that every licensee must observe generally accepted accounting principles and practices.
43. Requires a licensee to make any books, accounts and records that are kept outside of the state available to the Superintendent within three business days after demanded by the Superintendent or the Superintendent may choose to perform the examination or investigation at the office of the licensee outside of the state.

44. Requires the Superintendent or duly authorized representatives to have access during normal business hours to offices and places of business, files, safes and vaults of all licensees regarding that business or the subject matter of any examination, investigation or hearing.
45. Requires a licensee, on or before October 1 of each year, to file a report with the Superintendent concerning the business and operations during the 12-month period ending the preceding June 30.
 - a. Permits the Superintendent to extend the filing period by up to 60 days.
46. Allows the Superintendent, if a licensee fails to file a report, to examine the books, accounts and records of the licensee, prepare the report and charge an examination fee.
47. Allows the Superintendent to assess a civil penalty of not more than \$5 per day if a licensee fails to file a report.
 - a. Requires the licensee to pay the penalty within 30 days after the assessment.
48. Requires a licensee, at the time of preparing its annual report, to report the average annual percentage rate and average loan amount for the previous 12 months.
49. Directs the Superintendent, at least annually, to compile a report of the average annual percentage rate and average loan amount of each licensee.
 - a. Requires the Superintendent to disseminate and make the report available to the public.

Disclosures

50. Requires a licensee to comply with the disclosure requirements of the Truth in Lending Act.
51. Requires a flexible credit lender to clearly label the total principal balance remaining and the total scheduled interest on all payment statements.
 - a. The statement must also state that the payment of an additional amount each month will lower the total remaining balance and that the consumer may pay the loan in full at any time without penalties.
52. Specifies information required to appear in each note or agreement evidencing a flexible credit loan and the notices to be displayed in each licensed office or branch office or on a licensee's website.
53. Requires the Superintendent to assess a licensee a one-time civil penalty of up to \$300 if the licensee fails to provide the disclosure statement required in each note or agreement evidencing a flexible credit loan.

Consumer Credit Counseling and Payment Plans

54. Allows a consumer who is unable to meet the payment schedule requirements of a flexible credit loan for three consecutive months to request, within 30 days of the third missed payment, a payment plan if the consumer enrolls in and completes an approved consumer credit counseling course.
 - a. Requires the flexible credit lender to provide a payment plan if requested.
55. Specifies that a payment plan starts on the date that the consumer enrolls in a consumer credit counseling course and lasts 90 days.
56. Prohibits any additional interest or fees from accruing on a loan while a consumer is participating in a payment plan.
57. Stipulates that a loan reverts to the original terms of the contract if a consumer fails to complete a consumer credit counseling course within 60 days after enrolling in the course.

Miscellaneous

58. Specifies that, if any part of this Act is modified, amended or repealed, resulting in the cancellation or alteration of a flexible credit lender license, that cancellation or alteration does not impair or affect the obligation of any preexisting contract between a lender and consumer.
59. Defines terms.
60. Specifies that this Act may be cited as the "*Arizona Flexible Loan Act*."
61. Makes technical and conforming changes.

AMENDMENTS IN WAYS AND MEANS COMMITTEE

1. The strike-everything amendment was adopted.

CURRENT LAW

Established in 1973, DFI is statutorily charged with the licensing, supervision and regulation of state-chartered financial institutions and enterprises. The regulated entities include money transmitters, motor vehicle dealers, collections agencies, consumer lenders, mortgage banks and brokers, credit unions and banks.